

Submitted for Approval: July 22, 2009

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR CITY COUNCIL AND
REGULAR REDEVELOPMENT AGENCY MEETING
MINUTES – July 1, 2009**

CALL TO ORDER

Mayor/Chairman Tate called the meeting to order at 6:15 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members: Carr, Sellers, and Mayor/Chairman Tate
Late: Council/Agency Members Lee, Librers (arrived to be participants in the Council's Carbon Diet Club).

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council Action

OTHER BUSINESS:

1. CARBON DIET CLUB

The Council met to discuss actions it would take to reduce its carbon footprint as part of a Carbon Diet Club.

RECESS

The Council took a short recess prior the beginning of the 7:00 p.m. regular meeting session.

RECONVENE

Mayor/Chairman Tate reconvened the meeting at 7:00 p.m.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORT

Council Member Carr reported that earlier this evening, the Council met and decided to join a Carbon Diet Club, joined by City Manager Tewes and facilitated by the City's Environmental Programs Division. He invited any group or individual interested in lowering their emissions and carbon footprint to contact the Environmental Programs Division at City Hall.

the City of Morgan Hill has an organization that pushes projects forward and that it is not a bureaucracy. He thanked staff for their hard work in making this project take place for the youth in the community who will enjoy the facility.

PUBLIC COMMENT

Mayor/Chairman Tate opened the floor to public comment for items not appearing on this evening's agenda. No comments were offered.

City Council and Redevelopment Agency Action

ADOPTION OF AGENDA

Mayor Tate announced that the Council has received another request to continue the item relating to the adoption of a resolution of necessity for property acquisition on Third Street. He stated that agenda item 7 would more than likely be continued at the request of the applicant.

Action: *On a motion by Council/Agency Member Lee and seconded by Mayor Pro Tempore/Vice-chairman Sellers, the City Council/Agency Board unanimously (5-0) **Adopted** the Agenda as Posted.*

City Council Action

CONSENT CALENDAR:

Action: *On a motion by Mayor Pro Tempore Sellers and seconded by Council Member Lee, the City Council unanimously (5-0) **Approved** Consent Calendar Items 2-5 as follows:*

2. **PUBLIC WORKS MAINTENANCE AGREEMENT FOR TRAFFIC SIGNAL AND STREET MAINTENANCE FOR FISCAL YEAR 2009-10 AND 2010-11**

Action(s): 1) **Approved** new maintenance agreement for Traffic Signal and Street Light Maintenance; and 2) **Authorized** the City Manager to execute the agreement on behalf of the City.

3. **AWARD OF 2009-10 STREET RESURFACING PROJECT**

Action(s): 1) **Awarded** Contract to Graham Contractors, Inc. for the Construction of the 2009-10 Street Resurfacing Project in the Amount of \$319,516.06; and 2) **Authorized** the Expenditure of a 10% Construction Contingency in the Amount of \$31,952.

4. **JOINT SPECIAL CITY COUNCIL AND MORGAN HILL UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION MEETING MINUTES OF JUNE 10, 2009**

Action(s): **Approved** the Minutes as Written.

the downtown. He indicated that the proposed budget for PBID in Fiscal Year 2009-10 is \$167,000 which equates to \$72,000 in assessments to be collected in Fiscal Year 2009-10 as well as carry over in the fund balance of \$95,000.

Mayor Tate opened the public hearing.

Rocke Garcia, PBID vice-president, informed the Council that he was in attendance this evening to speak on behalf of the PBID Board and on behalf of Gary Walton, PBID President, who could not be in attendance this evening. He said that the PBID Board is proud of what has been accomplished in the downtown, and that they are looking forward to next year. They are holding back a little because they would like to find out what the City will be doing regarding the Monterey thoroughfare (e.g., one lane or two lanes in each direction). Once this determination is made, they will expend more of their dollars. He addressed some of their accomplishments such as tree lighting down the center of Monterey Road; all of the downtown area has wifi capabilities; they paid for shopping bags to encourage shopping in the downtown and painted poles to spruce up the downtown. He requested that community members not tape signs to poles because it would remove new paint. He stated that the Board is looking forward to the completion of the Third Street Promenade. He thanked the Council for its cooperation and funding.

No further comments being offered, the public hearing was closed.

Mayor Pro Tempore Sellers acknowledged that there is a lot of coordination between the City, PBID Board, and the Downtown Association. He noted that the PBID Board has its own agenda and felt that this is a good thing as a lot of the items they undertake are ones that cannot/should not be done by the public sector, or cannot be done by the Downtown Association. It struck him that the PBID Board has its own agenda and that the items they are pursuing are complimentary, but distinct in the downtown. He thanked the PBID Board for all the work they have undertaken in the areas identified, and that he looks forward to seeing more activities next year.

Mayor Tate said that he walked the downtown today and walked by the former liquor store located at the corner of Third Street and Monterey Road. He noticed that the property has been cleaned up, the signs have been removed, and that the parking lot located next door has been paved.

Council Member Carr stated that he was surprised that we are in year four with PBID. He referred to item 6.6 – organizational goals. He felt that the organizational goals will be important in year 4 and 5 as the PBID Board thinks about an exit strategy. He recommended that the PBID Board think about their exit strategy, should the PBID not be renewed, and to talk about the successes of the PBID so that the property owners can adequately choose whether they want to continue with the PBID. He was pleased to see an entire section devoted to the organizational goals and that the Board is thinking long term as to what may happen in year 5.

Action: *On a motion by Mayor Pro Tempore Sellers and seconded by Council Member Lee, the City Council unanimously (5-0) **Adopted** Resolution No. 6259, Approving the Morgan Hill Downtown Property Based Improvement District (MHDPBID) Annual Report.*

**10. MODIFYING AND ADJUSTING THE POLICE FALSE ALARM CHARGE BY
ADDING AN ALARM REGISTRATION FEE AND REDUCING EXEMPTIONS
FROM THE POLICE FALSE ALARM RESPONSE FEE – Resolution No. 6260**

City Manager Tewes informed the Council that the staff report correctly indicates that the recommendation is to adopt a resolution; while the agenda fascia talks about introducing an ordinance. He clarified that staff is requesting the Council adopt a resolution.

Commander Swing indicated that on May 27, 2009, the Council approved a revised alarm ordinance. Being presented this evening are the revised fees associated with the alarm ordinance. He indicated that staff followed the direction of the Council and adopted a “phased in” approach: for the first fiscal year of the program, 2 free alarm responses will be included for the first 90 days of implementation, and the registration fee is to be set at \$10 instead of \$50.

Council Member Lee inquired how it would be determined that a false alarm has occurred as opposed to a break in without anything being taken.

Commander Swing said that police officers responding to calls will look for obvious signs of intrusions. In most cases, the police officers will see no intrusion and will make the determination that a false alarm has occurred.

Mayor Tate opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Mayor Pro Tempore Sellers and seconded by Council Member Lee, the City Council unanimously (5-0) **Adopted** Resolution No. 6260.*

Redevelopment Agency Action

PUBLIC HEARINGS:

11. LEASE AGREEMENT WITH VARIOUS TECHNOLOGIES, INC. DBA ECO-SPARC

Director of Business Assistance & Housing Services Toy presented the staff report and addressed the terms of the lease agreement between the Redevelopment Agency and Various Technologies, Inc. doing business as Eco-Sparc. He said that Eco-Sparc is proposing to conduct retail sales of electric power vehicles, scooters and accessories in the Downtown Mall. As part of the lease, they would be renting the vacant space located behind the building formerly known as Techon, owned by the Redevelopment Agency. They would use the outdoor space as a charging station. Based on the current economic climate, it is staff's belief the proposed rent of \$1,000 for the first 12 month period is reasonable. At the end of the 12-month period, the rent would increase to \$1,850 per month, on a month to month basis. The Agency would be responsible for payment of all utilities; however, Eco Sparc would be responsible for PG&E costs related to the charging station located behind the Techon building. Based on the current economic climate, the location of the unit and the short term rent commitment from the Agency; staff believes the proposed rent and the return is reasonable. He indicated that the tenant expects to invest

hotels, restaurants and some businesses would allow the development of a baseline analysis to evaluate any increases in the Transient Occupancy Tax or sales tax. However, he felt that it would be hard to determine if any increase in tax dollars would be directly attributed to the Chamber's activities. He felt that this information would provide the Agency with some level of performance measures on the Chamber's activities.

Mr. Toy noted that the Redevelopment Agency does not have a local tourism program and that this may be something it would like to try as a pilot program; evaluating the program measures to see if this would be something it would like to pursue the following year.

Chairman Tate opened the floor to public comment.

Agency Member Lee inquired as to what type of website tracking would be utilized.

Tim Hendrick, Chamber of Commerce 2009 Chair, said that they will be conducting joint efforts, from a promotional standpoint, with partners such as hotels, restaurants, etc.; building a promotional coupon capability. He said that software will track where individuals are coming from. The Chamber of Commerce would ask businesses in the community to track where their business is coming from. The Chamber will also ask businesses if they would be part of a \$10 off coupon as a promotional piece that would allow tracking of the source of business.

Christine Giusiana, Chamber of Commerce President/CEO, said that when they conduct joint promotional activities with the Gilroy Business Bureau, they take joint pieces of information as well as individual promotional information. She indicated that the Gilroy Business Bureau has partners and are able to provide glossier/flashier marketing materials than Morgan Hill is able to produce. She said that the Chamber of Commerce has incorporated a raffle in the Sunset Magazine Travel Show, and that they keep a database when individuals enter a raffle. She said that the Chamber could start to track where individuals are picking up the Chamber's promotional information. If e-mail addresses are provided in raffle information, this information could be added to the database. She indicated that information is being entered manually as their website does not have the ability to track information.

Chairman Tate stated his support of the Chamber's option 2 request; requesting that the Chamber provide measurements that would attribute to their tourism efforts/results.

Ms. Giusiana informed the Council that she has met with several of the hotel managers in town, and that the Chamber will be helping them partner with other entities that are proposing events (e.g., BMX event, etc.), and provide information on other activities that can be undertaken while they are in town. Doing so would allow the Chamber to track how many individuals are staying at the hotels for an event.

Mr. Hendrick said that when organizations bring events to Morgan Hill, the Chamber would like to be able to partner with them and share resources; obtaining their mailing/e-mail list in order to promote Morgan Hill even further.

Chairman Tate requested that this be reported as part of the Chamber's regular reports so that the Agency Board can understand what is taking place and assist, when possible. He indicated that a couple of years ago, the Chamber indicated that their request for funding would go down. He stated that he

would be provided to determine whether the activities being performed by the Chamber are bringing individuals to Morgan Hill and that they are spending money locally.

Agency Member Librers acknowledged that the Chamber of Commerce favors proposal number 2. However, she expressed concern with the economic development aspect as the Director has stated that the Chamber will still be doing the same amount of work, but not charging the City for the work. She did not know how the Chamber of Commerce could take on a brand new program and still do the same amount of economic development with limited staff. It was her belief that economic development is equally as important as tourism. She was not sure if City staff can take on economic development.

Vice-chairman Sellers acknowledged that the same issues have been raised in the past. He said that a lot of economic development activity starts at the Chamber and that the Chamber would be the conduit for information. He said that the conversation leads to the Agency Board's desire for quantifiable goals. He felt that it would be valuable to have quantifiable data; noting that Mr. Hendrick and Ms. Guisiana have outlined ways for this information to be provided. He felt that providing quantifiable measures would help to know what the transient occupancy tax is and how many new hotel bookings have been made. He would like to hear from the hoteliers as they have a good idea as to who is coming to stay at their hotels and why. Hoteliers would know the economic development growth attributed to literature produced by the Chamber and other activities. He requested this information be incorporated into subsequent reports. Of the two proposals, he prefers option 2 because it requires less funding and has a lower overhead. Option 2 also places emphasis on tourism and what we have/do not have in the community.

Agency Member Lee noted that the Agency Board has been requesting quantifiable measures for two years, and that the Board has yet to receive this information; a concern to her.

Chairman Tate stated that he supports option 2 because it would shift the focus to something that is measurable, and that the information provided would show whether we are heading in the right direction. He felt that the Chamber needs to put the information together and bring it to the Agency Board on a regular basis.

Agency Member Carr appreciated the effort of trying to take the successes of a regional partnership and applying it locally for businesses. He felt that proposal 2 provides this emphasis and change. He expressed concern with how the change in focus would affect resources. He recommended that focus be given to doing a few things well. Should the Agency Board move forward with proposal 2 this evening, he acknowledged that the Agency Board would want to see performance measures in a year. As there is a change in direction, he did not believe the Agency Board will know a whole lot. He recommended that the Agency Board give some of the items the opportunity to succeed. It could be that the Agency Board will learn that the economy will be a factor in everything the Chamber does as is being experienced by most of the items the City is working on these days. He recommended that the Agency Board determine whether the proposal is heading in the direction it is trying to go in its planning and economic development efforts. Does the proposal coincide with the goals/policies the City is trying to achieve in the Southeast Quadrant and the work associated with the general plan? If so, there needs to be some commitment to seeing this through and to see if there are great successes.

not get to where it wants to be every year due to economic times, but felt that they are heading in the right direction.

In response to Agency Member Carr's question, Mr. Briones stated that the \$24,000 was generated through events (e.g., sponsorships, ticket sales, increase in memberships, etc.). He said that the 3 hour downtown wine stroll event assisted one downtown merchant in being able to generate enough revenue to cover their month's lease. The Thursday street dances resulted in a report back from restaurants and merchants at a downtown merchants' committee meeting that they are starting to see people in the downtown Thursday nights who are frequenting restaurants with some of the businesses staying open. MHDA was able to hold a California Auto Classic event on a Sunday afternoon in October that was applauded by the merchants as being an event that brought the right people to the downtown who are returning and becoming monthly/bi-monthly visitors.

Agency Member Carr stated that he was pleased to hear about the success stories as this leads him to believe the downtown merchants are coordinating their efforts with MHDA's efforts. He indicated that he has heard from individuals who enjoy attending these events; yet expressing concern that the merchants are not opened for business at the same timeframe as the events. He said that it sounds as though this is changing and that this is a positive thing.

Mr. Wallace acknowledged that there was no coordinated effort by the downtown merchants in past years; however, this has changed. He said that the wine stroll was a direct representation of the downtown businesses coming together as a team to make it a success. He said that MHDA was hoping to sell 150-200 tickets to the wine stroll, but ended up selling over 400 tickets with individuals coming to the downtown wanting to participate in the event. He said that there has been a change in the involvement/attitude of the business owners, and that the Thursday night music series is a direct representation of the unique change that has occurred.

No further comments were offered.

Vice-chairman Sellers noted that the City will be completing the Third Street Promenade this fiscal year. He felt that this would be an opportunity to develop this area as a unique venue; coinciding with the Downtown Association's emergence in their ability to add events. He requested that MHDA become creative in planning events at the Third Street core area as the facility comes underway in spring/summer of 2010. He was pleased to see that MHDA is putting money away and trying to think of what is next to build such as an ice rink or other facilities in subsequent years. He stated that funding would be an investment to the future of the downtown, and that having MHDA thinking ahead is appreciated.

Action: *On a motion by Vice-chairman Sellers and seconded by Agency Member Lee, the Agency Board unanimously (5-0): 1) **Accepted** the Annual Report; and 2) **Authorized** the Executive Director to Prepare and Execute an Agreement with MHDA in an Amount Not To Exceed \$99,000.*

able to secure permanent financing, they may come back in 2010 to request financing assistance), Horizons (50± senior housing units – no agency funding being sought at this time – applying for tax credits), and the Casa Diana/EAH Senior Apartment (40 unit project – applying for tax credits and have a funding gap of \$1.5 million of which \$400,000 would be additional funds and \$1.1 million would be a loan to the project). He addressed staff's recommended funding prioritization as follows: 1) fund projects currently under construction; 2) fund projects impacted by the "freezing" of State funds and, if interim financing is provided, the projects could begin construction, and 3) fund projects requiring additional funding commitments to close "financing gaps" so that they can apply for financing or secure tax credit equity.

Council/Agency Member Lee inquired as to what would happen should State funds remain frozen. Would the City be providing loans and grants to projects without getting repaid within the timeframe expected?

Mr. Toy said that it could take a while for the City to be reimbursed. It was his understanding that there is a commitment to reimburse the City when the frozen State funds become available. He said that in the Fiscal Year 2009-10 budget, \$2.5 million was reserved in anticipation of having to provide bridge funding for these projects in addition to an unallocated fund balance of \$2 million.

Council/Agency Member Carr noted that rehab projects were not included in the priority list versus new projects.

Mr. Toy said that staff identified projects of higher priorities. He informed the Council that the Crossings project has an application with the State for MHP funds in the amount of \$2.1 million; however, these funds are frozen. Staff is not recommending providing interim funding at this level because of the uncertainty at the State level, should there be an ERAF take or if the gaps for the other projects end up being more. He noted that the Madrone project is under construction, and that staff sees this to be a higher priority project. Staff may return to recommend bridge funding for the Crossings project. He indicated that the Crest project has interim financing at this time, and may need to look for financing in the next 1.5 years. Staff is recommending a \$2.4 million loan to the Crest Avenue project, but that they would need to obtain \$2 million in financing. He stated that there is a possibility that there will be no lenders willing to make a loan to the project, in which case, the City may need to step in to assist. However, it is premature to determine this at this time. It was his belief that staff would have a better idea about financing needs in a year.

Mayor/Chairman Tate noted that the Madrone project has been identified as the highest priority project because it is under construction and the City would like to see it completed. He noted that the project requires the largest amount of financing assistance. He inquired whether there was a middle ground in terms of keeping the project going. What would happen if it is found that the project needs additional funding assistance, more than the City can commit to?

Mr. Toy said that staff has been talking to South County Housing about the Madrone project. It was his belief that there is a financing gap of \$900,000 and that they would need this amount in financing as well as \$3.1 million in interim financing. Staff believes that a request for interim financing would return to the Council because BEGIN funds have been frozen by the State. However, the State has indicated that once the BEGIN funds are released, the City would be reimbursed. He said that CalHome funds are

Dennis Lalor, South County Housing, informed the Council/Agency Board that many of the State's funding sources have been reinstated and some funds are flowing. He is expecting to be able to attain State funding. He stated that the value of the project has diminished. He stated that the bank cannot lend them any more money because the security/collateral does not exist. He will be accessing State funds; indicating that they would obtain a \$1.6 million 10-year loan from the State Help Funds. These monies will be used to finish the construction of the project. The down payment assistance funds, CalHome and BEGIN funds would be used to help repay the loan. He stated that he could not predict the exact timeline when State funding would become available.

Mayor Pro Tempore/Vice-chairman Sellers noted that staff mentioned that South County Housing will be going back to its lenders as well. He felt that it would be important for lenders to participate in refinancing the project. Would the actions taken by the City make a difference in discussions with lenders?

Mr. Lalor stated that his relationship with Wells Fargo Bank has been very collaborative over the years, and that they have been doing everything they can to make this project work. It was his belief the project is at a point where it can see the finish line because of the additional funding the City would be making available. He felt that it would be in everyone's interest to move this project forward. He has gone back to speak with his contractors to see if they can make adjustments. He stated that the bank has made and would continue to make adjustments to their program in order to see this project completed.

Mayor Pro Tempore/Vice-chairman Sellers indicated that we are dealing with a new set of rules and new set of realities. He understands that the bar is higher for financial institution in order to be able to lend monies. It was his belief that to the degree the City can provide certainty to an uncertain market; it would help the banks do a little more. He was pleased to hear that this would be the case.

Council/Agency Member Lee inquired if there was a chance that should the City extend the loans and grants for the projects that either the banks or the State may conclude that a project no longer needs funding because the City has extended funding based on the financial difficulties the State is experiencing.

Mr. Lalor stated that the source of funding is from bonds supported and passed by the voters. They competed for these funds and were awarded the funds. He stated that South County Housing has every expectation that the State would honor these commitments.

Mark Irving, Urban Housing Communities (UHC), addressed the Horizons senior housing project. He informed the Council/Agency Board that this project submitted for the 9% tax credit application and that he was confident the project would receive allocations. He indicated that he has a tax credit investor in line, and that they are waiting for the September 9 date. He is optimistic that this project would receive tax credits. He stated that the Crossings is a rehab project; receiving MHP funding allocation in July 2008 as well as tax credits. However, when they went to close financing on the project, the State did not provide the funding. In December, the State issued a letter about the commitments made; indicating that they would not be moving forward with the commitments. At that point, their lender asked for an astople certificate. However, the State indicated that they do not provide these; therefore, they are at a standstill. He indicated that they have submitted for ARRP funding, and that they would know by August 5 about the tax credits. With respect to MHP funding, he stated that the State appears to be running business as

Council/Agency Member Lee felt that it made sense to keep projects moving forward that are currently under construction. It is her hope the State would be able to allocate the funds promised in short order; acknowledging that these are uncertain times at the State, a concern to her.

Mayor Pro Tempore/Vice-chairman Sellers expressed concern with the timing issue. He felt that the City could play a helpful role; noting that the majority of the funds it is being asked to commit to are in the form of loans. He felt that the City has flexibility in utilizing these funds, and that it would be an appropriate use of these funds; given the unique circumstances we are in. He addressed the down payment assistance program. He stated that he appreciates the direction that staff is heading as it would be vital to zero out based on interest rates. He felt that it would be important to make sure that perspective homeowners are able to make mortgage payments with assistance from the down payment assistance program. He supported the prioritization presented by staff.

Council/Agency Member Carr stated that he generally agreed with the prioritization as presented by staff. He recommended the Council/Agency Board discuss the rehab dollars, and to think about preparing for the inevitable need for these dollars. He felt that rehab projects meet multiple policy goals such as blight removal, creating a healthy living environment for individuals, and how the City approaches public safety. He felt that the Council/Agency Board needs to move rehab programs up in priority. He acknowledged that there are risks associated with the projects under construction, and that the City needs to find ways to protect these investments. For the multitude of public policy reasons that rehab benefits the community, the Council/Agency Board needs to think about how the City will be funding these projects, should the need arise. He acknowledged that the City wants these important projects to be completed. He felt that there would be additional discussions about risk over the next 6-12 months as staff returns with additional proposals. He stated that this is a risk he is willing to take in order to keep projects moving forward as they provide an opportunity for the City to invest dollars back into the community and create/stimulate jobs. He stated that he agreed with staff's prioritization with the caveat that the Council/Agency Board would be thinking about rehab projects as well.

Council/Agency Member Librers stated her support of the prioritization of the projects as presented by staff. She felt that the Council/Agency Board is at a point where it has to take a leap of faith and believe that the economy will turn around. By stepping up and getting these projects started/completed, the City would be showing faith. She looks forward to hearing what staff will be bringing back to the Council/Agency Board.

Mayor/Chairman Tate agreed that rehab programs are important to the community; acknowledging that these are not factored into the priorities in front of the Council/Agency Board. He noted that there are no rehab projects before the Council, but that he would approve placing rehab projects at the top; making sure that there is funding available in the future to address rehab projects. He stated his support of staff's recommended prioritization.

Mr. Toy informed the Council/Agency Board that staff would return with amended contracts based on Council/Agency Board direction as every project would require some level of amendments to existing agreements.

services and means to reside in permanent housing. He stated that this is somewhat out of date with current practices for addressing the homeless. However, this is a State mandate and the City has to provide for the homeless.

Mayor Pro Tempore/Vice-chairman Sellers did not believe the mandate is advocating the City try to develop a homeless facility/shelter. It was his belief the mandate was designed to address the communities where it was felt that they were shirking their responsibility in this regard. He did not believe Morgan Hill is shirking its responsibility.

Council/Agency Member Carr felt that it is the City's role to make sure that it is not putting up road blocks to homeless/emergency shelters. The City could develop a housing element that has no intention of fulfilling any of these mandates. When you talk about the "by right zoning", he felt that the Council needs to be intentional about how it does this and how we, as a community, plan to provide services to a homeless population. The City will be supporting established facilities that are providing these services in close proximity to Morgan Hill. The City needs to make sure that these services are available and successful to Morgan Hill's homeless population. Even if the Council agrees to change a portion of the general plan, he felt the Council still needs to talk about serving the homeless population.

Business Assistance & Housing Services Manager Ordoñez responded to Council/Agency Member Lee's question by stating that the homeless population in Morgan Hill is currently at 104; indicating that this is a four-fold increase from 24. He said that it is not known if this number would increase based on the impact of the recession.

Action The City Council/Agency Board Provided the above comments.

City Council Action

OTHER BUSINESS:

16. PENINSULA CITIES COALITION – HIGH SPEED RAIL

Mayor Tate indicated that he was approached by a member of the Palo Alto City Council at a Cities Association meeting. Morgan Hill is being asked to join a coalition that is now meeting monthly in Palo Alto. He stated that the material attached to the staff report explains the reasons why Morgan Hill should be cooperating on the high speed rail questions. It was his belief that Morgan Hill has to work regionally with the City of Gilroy before looking to the north. It was his hope to speak with Gilroy Mayor Pinheiro at a meeting he attended yesterday, but that Mayor Pinheiro did not show up for the meeting. He felt that additional work needs to be done in South County.

City Manager Tewes informed the Council that he recently had the opportunity to meet with the technical staff of the High Speed Rail Authority, and that they have indicated that they have taken the comments made by the City of Morgan Hill and others in South County seriously in scoping their environmental impact report. He said that the Authority is pursuing a number of alternatives that would address the City's comments and that they are looking for a forum/place to share the alternatives/options

Mayor Pro Tempore Sellers indicated that the Council has had a long standing tradition of designating the newest member on the Council to represent the City at this significant event. He suggested that Council Member Librers continue the tradition and represent the City as the primary voting delegate.

Action: *By consensus, the City Council **Appointed** Council Member Librers as the City's Primary Voting Delegate and Mayor Pro Tempore Sellers as the Alternate Voting Delegate to the League of California Cities' Annual Conference; and 2) **Directed** the City Clerk to Complete the Voting Delegate Form and **Forward** Said Form to the League of California Cities.*

FUTURE COUNCIL AGENCY-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor/Chairman Tate adjourned the meeting at 9:25 p.m.

MINUTES RECORDED AND PREPARED BY:



IRMA TORREZ, CITY CLERK/AGENCY SECRETARY